

FISCAL NOTE

SB 3781 - HB 3738

March 20, 2006

SUMMARY OF BILL: Amends several public acts which approved the issuance of general obligation debt for capital projects. The changes provided by the bill would authorize expenditures of the proceeds from bond sales for grants to local governments provided such expenditures are approved by the State Building Commission.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Provides authorization, through the code, for the expenditure of bond sale proceeds in the form of grants to local governments. Authorization for the issuance of such bonds has already taken place through a series of public acts established between 1993 and 2005. However, the authorization for such issuance was contingent upon approval of capital projects related to state assets by the State Building Commission. Since any grant to a local government would be for a capital improvement expenditure on local government assets, the authorization provided by this bill is required. The first year of debt service on these bonds has already been included in previous budgets as a part of the initial adoption of the Public Acts. If local government grant projects are adopted by the State Building Commission, local governments will experience an increase in revenues in the amount of the approved grants. Such increase will be earmarked for the specific projects approved by the Building Commission.

Assumptions:

- The first year of debt service on such bonds was included in the budget upon adoption of the various Public Acts.
- Any increase in revenues to local governments will be earmarked for specific projects approved by the State Building Commission.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director